

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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THE FASHION EXCHANGE LLC, :

Plaintiff, :

v. :

HYBRID PROMOTIONS, LLC, JEFF CALDWELL, :  
JARROD DOGAN, GAVIN DOGAN, :

Defendants/Counterclaimants, :

and :

NATIONAL STORES, INC., :  
HOT TOPIC, INC., :  
PACIFIC SUNWEAR OF CALIFORNIA, INC., :  
ROSS STORES, INC., TWEEN BRANDS, INC., :  
THE TJX COMPANIES, INC., :  
THE WET SEAL RETAIL, INC., :  
SPENCER GIFTS LLC, :  
OLD NAVY, LLC, RUE21, INC., :  
J.C. PENNEY CORPORATION, INC., :  
BJ'S WHOLESALE CLUB, INC., :  
BOSCov's DEPARTMENT STORE, LLC, :  
WAL-MART STORES, INC., :  
KOHL'S DEPARTMENT STORES, INC., :  
MACY'S RETAIL HOLDINGS, INC., :  
MACYS.COM, INC., :  
SHOPKO STORES OPERATING CO., LLC, :  
FAMILY DOLLAR SERVICES, INC., :  
THE CATO CORPORATION, :  
BELK, INC., DILLARD'S, INC., :  
NORDSTROM, INC., :  
BEALL'S DEPARTMENT STORES, INC., :  
SEARS BRANDS, LLC, :  
MARSHALLS OF MA, INC., BOB'S STORES, LLC, :  
DOLLAR GENERAL CORPORATION, :  
TARGET CORPORATION, :  
URBAN OUTFITTERS, INC., :

Defendants. :

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X Civil Action No. 14-CV-1254 (SHS)

PLAINTIFF'S MEMORANDUM  
OF LAW IN SUPPORT OF ITS  
MOTION FOR PARTIAL  
SUMMARY JUDGMENT

COMES NOW Plaintiff The Fashion Exchange LLC (“Fashion Exchange” or “Plaintiff”), by and through its attorneys, Zarin & Associates P.C., with this memorandum of law in support of its motion for partial summary judgment against Defendants Hybrid Promotions, LLC (“Hybrid Promotions”), Jeff Caldwell, Jarrod Dogan (“Dogan”) and Gavin Dogan (collectively “Defendants”) on their counterclaims, pursuant to Fed. R. Civ. P. 56.

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## I. Preliminary Statement

Upon discovering that Hybrid Promotions was allegedly selling apparel under the trademark HYBRID<sup>1</sup>, Plaintiff Fashion Exchange filed this action against Defendant Hybrid Promotions, its current and former principals, Jarrod Dogan, Gavin Dogan and Jeff Caldwell, and several retailers which sell Hybrid Promotions' branded apparel, asserting claims against Defendants for a declaration of ownership of its HYBRID & COMPANY trademark (First Cause of Action), trademark infringement pursuant to 15 U.S.C. §1114 based upon its federal registration for the trademark HYBRID & COMPANY (Second Cause of Action), unfair competition pursuant to 15 U.S.C. §1125(a) based upon its common law rights in its HYBRID & COMPANY trademark (Third Cause of Action), and unfair competition under New York common law also based upon its common law rights in its HYBRID & COMPANY trademark (Fourth Cause of Action). (D.E. 21)<sup>2</sup>

Along with their answer to Plaintiff's complaint, Defendants asserted counterclaims against Plaintiff for a declaration that their rights in their purported HYBRID trademark are superior to Plaintiff's rights in its HYBRID & COMPANY trademark (First Counterclaim), unfair competition in violation of 15 U.S.C. §1125(a) (Second Counterclaim), unfair competition under the common law (Third Counterclaim) and cancellation of Plaintiff's federal trademark registration for HYBRID & COMPANY on the ground that Defendants used their HYBRID trademark in commerce prior to the time Plaintiff used its trademark in commerce (Fourth Counterclaim). (D.E. 49)

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<sup>1</sup> For the relevant facts in support of its motion for partial summary judgment, Plaintiff refers the Court to its Rule 56.1 Statement of Undisputed Facts.

<sup>2</sup> On April 6, 2015, with the Court's permission, Plaintiff amended the allegations in its complaint to include its common law trademark HYBRID, thereby modifying its third and fourth causes of action for statutory and common law unfair competition respectively to assert this trademark against Defendants, in addition to its federally registered HYBRID & COMPANY trademark. (D.E. 110, ¶2; Zarin Dec., Exh. A)

During the course of discovery, Plaintiff discovered that Defendants have not sold apparel under the trademark HYBRID, but instead have sold apparel, at various times since 1999, under the trademarks HYBRID PROMOTIONS, HYBRID TEES, HYBRID APPAREL and HYBRID JEM. Consequently, upon the Court's permission, Plaintiff amended its complaint to include allegations relating to these trademarks. (D.E. 131, ¶1; D.E. 134) All of Plaintiff's claims, therefore, also relate to Defendants' use of these trademarks.

Along with their answer to Plaintiff's amended complaint, Defendants made two significant amendments to their counterclaims. First, upon the Court's permission, they added an additional counterclaim for cancellation of Plaintiff's registration for its HYBRID & COMPANY trademark on the ground that, in prosecuting its trademark application, Plaintiff committed fraud on the PTO (Fifth Counterclaim). Second, without the court's permission, they amended the factual allegations which support their counterclaims to include, in addition to their purported trademark HYBRID, the trademarks HYBRID PROMOTIONS, HYBRID TEES, HYBRID APPAREL and HYBRID JEM (D.E. 135, Counterclaims, ¶6)

Pursuant to Fed. R. Civ. P. 56, Plaintiff hereby moves for partial summary judgment on all Defendants' counterclaims. With respect to Defendants' counterclaim for cancellation of Plaintiff's registration for its HYBRID & COMPANY trademark due to fraud on the PTO, Plaintiff seeks dismissal of this counterclaim in its entirety, because Defendants cannot make out their *prima facie* case. (Fifth Counterclaim) With respect to Defendants' counterclaims for a declaration of their superior rights (First Counterclaim), unfair competition under 15 U.S.C. §1125(a) (Second Counterclaim), common law unfair competition (Third Counterclaim) and cancellation of Plaintiff's trademark registration on the ground of Defendants' purported superior rights (Fourth Counterclaim), Plaintiff seeks an order striking from these counterclaims the alleged trademarks HYBRID, HYBRID PROMOTIONS and HYBRID TEES, because Defendants currently lack ownership rights in each of these purported trademarks. As the bases for these requests, Plaintiff offers the following.